

## Message Text

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TO AMEMBASSY ABIDJAN

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FOLLOWING REPEAT DAKAR 0851 ACTION SECSTATE GENEVA ALGIERS BONN

EC BRUSSELS BRUSSELS COPENHAGEN DUBLIN HELSINKI LISBON LONDON

LUXEMBOURG MADRID NAIROBI OSLO PARIS

ROME OECD PARIS STOCKHOLM TOKYO USUN VIENNA THE HAGUE 10 FEB

QUOTE

UNCLAS DAKAR 0851

E.O. 11652: N/A

TAGS: UNCTAD, EGEN, ETRD, SG, DCC

SUBJ: DAKAR CONFERENCE ON COMMODITIES (DCC)

REF: DAKAR 843

1. AT CLOSE OF DAKAR CONFERENCE ON COMMODITIES (DCC) THERE

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WAS ISSUED ON FEB 8 "DAKAR DECLARATION". FULL TEXT

(UNNECESSARY WORDS OMITTED) FOLLOWS:

BEGIN QUOTE DAKAR DECLARATION

DEVELOPING COUNTRIES, MEETING IN DAKAR ON 4-8 FEBRUARY ON INITIATIVE OF FOURTH SUMMIT CONFERENCE NON-ALIGNED COUNTRIES, CARRIED OUT DETAILED ANALYSIS OF FUNDAMENTAL PROBLEMS OF RAW MATERIALS AND DEVELOPMENT IN LIGHT OF RECENT TRENDS IN INTERNATIONAL ECONOMIC RELATIONS, AND TAKING INTO ACCOUNT DECISIONS OF SIXTH SPECIAL SESSION UNITED NATIONS GENERAL ASSEMBLY ON RAW MATERIALS AND DEVELOPMENT.

THEY NOTED TRENDS IN INTERNATIONAL ECONOMIC SITUATION, WHICH WAS MARKED BY PERPETUATION OF INEQUALITIES IN ECONOMIC RELATIONS, IMPERIALIST DOMINATION, NEO-COLONIALIST EXPLOITATION AND TOTAL LACK OF SOLUTIONS TO BASIC PROBLEMS OF DEVELOPING COUNTRIES.

DETERMINED TO PURSUE TOGETHER AND IN UNITY JOINT ACTION TO BROADEN IRREVERSIBLE PROCESS WHICH HAS BEEN INITIATED IN INTERNATIONAL ECONOMIC RELATIONS AND WHICH HAS OPENED WAY FOR DEVELOPING COUNTRIES TO PUT END TO THEIR POSITION OF DEPENDENCE VIS-A-VIS IMPERIALISM:

CONVINCED THAT ONLY WAY FOR THEM TO ACHIEVE FULL AND COMPLETE ECONOMIC EMANCIPATION IS TO RECOVER AND CONTROL THEIR NATURAL RESOURCES AND WEALTH AND MEANS OF ECONOMIC DEVELOPMENT IN ORDER TO SECURE ECONOMIC, SOCIAL AND CULTURAL PROGRESS THEIR PEOPLES;

DECIDE, IN ACCORDANCE WITH PRINCIPLES AND OBJECTIVES OF DECLARATIONS AND PROGRAMMES OF ACTION OF FOURTH SUMMIT CONFERENCE OF NON-ALIGNED COUNTRIES AND SIXTH SPECIAL SESSION OF UNITED NATIONS GENERAL ASSEMBLY, ON BASIS OF COMMON COURSE OF ACTION, TO ADEPT FOLLOWING DECLARATION:

1. PRESENT STRUCTURE OF INTERNATIONAL TRADE, WHICH HAD ITS ORIGINS IN IMPERIALIST AND COLONIALIST EXPLOITATION, AND WHICH HAS CONTINUED IN FORCE TO PRESENT DAY, IN MOST CASES THROUGH VARIOUS FORMS OF NEO-COLONIALISM, NEEDS TO BE REPLACED BY NEW INTERNATIONAL ECONOMIC ORDER BASED ON UNCLASSIFIED

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PRINCIPLES OF JUSTICE AND EQUITY, DESIGNED TO SAFEGUARD COMMON INTERESTS A  
L PEOPLES, CORRECT PRESENT INJUSTICES AND TO PREVENT THE OCCURRENCE OF FURTHER INJUSTICES. PROFOUND CRISIS NOW AFFECTING INTERNATIONAL ECONOMIC SYSTEM HAS ONCE AGAIN DEMONSTRATED BREAKDOWN OF TRADITIONAL MECHANISMS, AND WITH IT PARTICULAR VULNERABILITY OF ECONOMIES OF DEVELOPING COUNTRIES. IT CANNOT BE DENIED THAT STRUCTURE AND ORGANIZATION OF WORLD IMPORT AND EXPORT TRADE OPERATE FOR MOST PART TO ADVANTAGE OF DEVELOPED COUNTRIES. A POWERFUL WEAPON WHICH DEVELOPING COUNTRIES CAN USE TO CHANGE THIS STATE OF AFFAIRS IS TO DEFEND THEIR NATURAL RESOURCES AND TO GRASP FACT (AS THEY ARE IN FACT DOING) THAT IT IS ONLY BY

COMBINING THEIR FORCES TO STRENGTHEN THEIR NEGOTIATING POWER THAT THEY WILL EVER SUCCEED IN OBTAINING THEIR RIGHTS TO JUST AND EQUITABLE TREATMENT, SOMETHING FOR WHICH OUR PEOPLES HAVE LIVED AND FOUGHT FOR CENTURIES. DESPITE INNUMERABLE EFFORTS AT INTERNATIONAL LEVEL TO TACKLE PROBLEMS WHICH CONFRONT DEVELOPING COUNTRIES WHICH EXPORT PRIMARY PRODUCTS, NO PERCEPTIBLE PROGRESS HAS IN FACT BEEN MADE FOR SEVERAL DECADES IN SOLVING ANY ASPECT OF PRIMARY PRODUCTS PROBLEM.

2. ACCORDING TO VIEWS IMPOSED BY THE INDUSTRIALIZED CAPITALIST COUNTRIES CONCERNING WORLD TRADE IN PRIMARY PRODUCTS, FREE WORKING OF PRIMARY PRODUCTS MARKETS SHOULD NORMALLY ENSURE AN OPTIMUM DISTRIBUTION OF WORLD RESOURCES, AND RISING TREND OF DEMAND IN INDUSTRIALISED COUNTRIES FOR EXPORTS OF PRIMARY PRODUCTS FROM DEVELOPING COUNTRIES SHOULD STIMULATE ECONOMIC GROWTH OF THIS LATTER GROUP OF COUNTRIES. THIS WOULD HAVE BEEN CASE IF FAVOURABLE CONDITIONS HAD BEEN CREATED, ESPECIALLY WITH REGARD TO FREE ACCESS TO MARKETS OF DEVELOPED COUNTRIES AND MARKETING OF PRIMARY PRODUCTS, BUT DEVELOPING COUNTRIES HAVE, IN PERFORMANCE OF THIS FUNCTION OF SUPPLIERS OF RAW MATERIALS TO INDUSTRIALIZED COUNTRIES, RUN INTO OTHER OBSTACLES IMPOSED ON THEM.

3. FRAMEWORK AND ORGANIZATION OF COMMODITY TRADE, AND ESPECIALLY MARKETING AND DISTRIBUTION SYSTEMS FOR INDIVIDUAL COMMODITIES PREVAILING AT PRESENT, WERE DEVELOPED IN NINETEENTH CENTURY BY COLONIAL POWERS AND ARE WHOLLY INADEQUATE TODAY AS INSTRUMENTS OF ECONOMIC CHANGE AND ADVANCEMENT. UNDER SUCH UNCLASSIFIED

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SYSTEMS, TRANSNATIONAL CORPORATIONS CONTROL PRODUCTION OF AND TRADE IN MANY PRIMARY COMMODITIES, PARTICULARLY THROUGH EXERCISE OF BARGAINING POWER AGAINST LARGE NUMBER OF WEAK COMPETING SELLERS IN DEVELOPING COUNTRIES. WORLD COMMODITY MARKETS EXPERIENCE A CHRONIC INSTABILITY WHICH ARISES THROUGH SUDDEN AND SUBSTANTIAL SHIFTS IN BALANCE OF WORLD SUPPLY AND DEMAND AS WELL AS THROUGH EXCESSIVE SPECULATIVE ACTIVITIES ENCOURAGED BY LACK OF ADEQUATE REGULATION THESE MARKETS.

4. FACT THAT DEVELOPING COUNTRIES HAVE BEEN DENIED ADEQUATE PARTICIPATION IN DETERMINATION OF INTERNATIONAL PRICES THEIR EXPORT COMMODITIES HAS LED TO PERMANENT TRANSFER OF REAL RESOURCES FROM DEVELOPING TO DEVELOPED COUNTRIES BECAUSE BENEFITS FROM IMPROVEMENTS IN PRODUCTIVITY IN PRODUCTION OF PRIMARY COMMODITIES AND RAW MATERIALS ARE TRANSFERRED TO DEVELOPED CONSUMER COUNTRIES RATHER THAN TRANSFERRED TO COMMODITY PRODUCERS, IN MARKED CONTRAST WITH WHAT OCCURS IN DEVELOPED COUNTRIES WHERE IMPROVEMENTS IN PRODUCTIVITY RESULT IN HIGHER PROFITS FOR THOSE COUNTRIES. FURTHERMORE LOW LEVEL OF COMMODITY PRICES HAS STIMULATED EXCESSIVE CONSUMPTION AND CONSIDERABLE WASTE OF SCARCE RAW MATERIALS IN AFFLUENT COUNTRIES, RESULTING IN RAPID DEPLETION OF NON-RENEWABLE RESOURCES.

5. REPEATED MFN TARIFF REDUCTIONS IN POST-WAR PERIOD WHICH RESULTED FROM TRADE NEGOTIATIONS IN GATT COVERED MOSTLY INDUSTRIAL PRODUCTS TRADED MAINLY BETWEEN DEVELOPED COUNTRIES. MOREOVER EFFORTS TOWARDS LIBERALIZATION OF INTERNATIONAL TRADE TENDED TO IGNORE NON-TARIFF BARRIERS, WHICH MORE PARTICULARLY AFFECT RAW OR SEMI-PROCESSED PRIMARY COMMODITIES OF EXPORT INTEREST TO DEVELOPING COUNTRIES, AND ALSO LEFT UNRESOLVED PROBLEM OF TARIFF ESCALATION, WHICH GREATLY HAMPERS TRADE OF DEVELOPING COUNTRIES.

6. IN ADDITION, DEVELOPED COUNTRIES OR GROUPINGS OF DEVELOPED COUNTRIES SPENT ON SUBSIDIZATION THEIR DOMESTIC PRODUCTION OF PRIMARY COMMODITIES COMPETING WITH THOSE EXPORTED BY DEVELOPING COUNTRIES MUCH LARGER AMOUNT THAN THAT ALLOCATED TO OFFICIAL DEVELOPMENT ASSISTANCE TO DEVELOPING COUNTRIES. MOREOVER, THEY HAVE VIOLATED THE PRINCIPLES ADOPTED IN FRAMEWORK OF GATT AND HAVE FAILED TO MEET THEIR OBLIGATIONS UNDER INTERNATIONAL DEVELOPMENT STRATEGY WITH REGARD TO READJUSTMENTS THEIR UNCLASSIFIED

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RESPECTIVE ECONOMIES. AS RESULT, THEIR SELF-SUFFICIENCY RATIOS FOR MOST OF THESE COMMODITIES INCREASED SUBSTANTIALLY, AND IN SOME CASES SURPLUSES BECAME AVAILABLE FOR DUMPING ON THIRD COUNTRIES' MARKETS, THUS REDUCING EXPORT OUTLETS AVAILABLE TO PRODUCER DEVELOPING COUNTRIES.

7. AT SAME TIME CONSIDERABLE RESEARCH AND DEVELOPMENT EFFORTS WERE UNDERTAKEN, IN PARTICULAR BY TRANSNATIONAL CORPORATIONS - PARTLY FINANCED OUT OF EXCESS PROFITS THEY HAD MADE BY CONTROLLING EXPLOITATION AND MARKETING OF NATURAL RESOURCES OF DEVELOPING COUNTRIES - AND LED TO LARGE-SCALE PRODUCTION OF SYNTHETICS AND SUBSTITUTES WHICH DISPLACED IN WELL-PROTECTED MARKETS THE NATURAL PRODUCTS EXPORTED BY DEVELOPING COUNTRIES.

8. FAST GROWTH OF DEVELOPED COUNTRIES WAS PARTLY FINANCED THROUGH AN INTERNATIONAL MONETARY SYSTEM TAILORED TO THEIR NEEDS, ALLOWING INFLATIONARY TRENDS TO AFFECT NOT ONLY THEIR DOMESTIC ECONOMIES BUT ALSO INTERNATIONAL TRADE. DEVELOPING COUNTRIES, BEING WEAKEST PARTNERS IN THIS TRADE, WERE THOSE WHO SUFFERED MOST FROM INFLATION. MOREOVER, SPECULATIVE MONETARY ACTIVITIES BY TRANSNATIONAL CORPORATIONS CONTRIBUTED SIGNIFICANTLY TO DESTABILIZATION OF INTERNATIONAL MONETARY SYSTEM. MONETARY INSTABILITY AND DEVALUATION OF EARLY 1970S AFFECTED ADVERSELY CURRENCY RESERVES HELD BY DEVELOPING COUNTRIES.

9. ABOVE CONSTRAINTS IMPOSED ON COMMODITY TRADE OF DEVELOPING COUNTRIES HAVE RESULTED IN PERSISTENT LONG-TERM DETERIORATION IN THEIR TERMS OF TRADE, DESPITE OCCASIONAL IMPROVEMENTS SUCH AS THOSE WHICH OCCURRED AT BEGINNING OF FIFTIES OR RECENTLY IN 1973 AND AT BEGINNING OF 1974. SUDDEN INCREASE IN COMMODITY PRICES WHICH OCCURRED IN 1973 AND PART OF 1974, HOWEVER, WAS DUE

TO EXCEPTIONAL CIRCUMSTANCES AND TO INCREASE IN DEMAND AS HEDGE AGAINST INFLATION AND EXCHANGE-RATE CHANGES RATHER THAN TO ANY CONSCIOUS INTERNATIONAL POLICY. FURTHERMORE, THIS RISE IN COMMODITY PRICES WAS UNEVEN AMONG VARIOUS COMMODITIES, PRICES OF SOME IMPORTANT COMMODITIES HAVING ACTUALLY REMAINED STAGNANT OR DECREASED IN REAL TERMS.

10. FINALLY, THIS INCREASE IN COMMODITY PRICES, INCLUDING OIL PRICES, FOLLOWED A LONG PERIOD OF DETERIORATION IN THE TERMS OF TRADE OF DEVELOPING COUNTRIES.  
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11. PRICES OF SEVERAL MAJOR COMMODITIES HAVE BEGUN TO DECLINE SIGNIFICANTLY, LEADING TO FURTHER DETERIORATION IN TERMS OF TRADE OF DEVELOPING COUNTRIES. THERE IS ALSO REAL POSSIBILITY THAT OTHER COMMODITIES MAY ALSO EXPERIENCE DECLINE IN PRICES, GIVEN LIKELIHOOD THAT DEVELOPED COUNTRIES WILL TAKE MEASURES TO REDUCE THEIR IMPORTS OF MANY OF THESE COMMODITIES AS PART OF THEIR STRATEGY OF DIVIDING DEVELOPING COUNTRIES.

XQWM EVER RISING FREIGHT RATES AND FAILURE BY MARITIME CONFERENCES IN MOST CASES TO GRANT PROMOTIONAL FREIGHT RATES IN RESPECT OF PRIMARY COMMODITIES OF EXPORT INTEREST TO DEVELOPING COUNTRIES HAVE FURTHER IMPEDED EXPORT PROMOTION, PARTICULARLY IN COUNTRIES WHICH ARE LAND-LOCKED AND GEOGRAPHICALLY HANDICAPPED.

13. HIGH RATES OF INFLATION GENERATED WITHIN ECONOMIES OF INDUSTRIALIZED DEVELOPED COUNTRIES HAVE BEEN EXPORTED TO ECONOMIES OF DEVELOPING COUNTRIES BY RAISING THEIR IMPORT BILLS TO UNBEARABLE LIMITS. THE BALANCE-OF-PAYMENTS DIFFICULTIES ALREADY BEING EXPERIENCED BY MANY DEVELOPING COUNTRIES HAVE BEEN SERIOUSLY AGGRAVATED BY, INTER ALIA, ENORMOUS INCREASE IN COST OF IMPORTS OF FOOD, FERTILIZERS, CAPITAL EQUIPMENT AND FUEL AND IN COST OF TRANSPORT, OCEAN FREIGHT, SERVICES AND INSURANCE, AND IMPLEMENTATION OF DEVELOPMENT PLANS OF DEVELOPING COUNTRIES FACING SUCH DIFFICULTIES HAS BEEN SERIOUSLY IMPEDED.

IN THIS RESPECT LAND-LOCKED DEVELOPING COUNTRIES ARE IN VERY DIFFICULT POSITION, WHICH CERTAINLY DESERVES SPECIAL ATTENTION IN VIEW OF SPECIAL PROBLEMS WITH WHICH THESE COUNTRIES ARE CONFRONTED.

14. FINALLY, POTENTIAL MINERAL RESOURCES OF SEABED, OCEAN FLOOR AND SUB-SOIL THEREOF OUTSIDE LIMITS OF NATIONAL JURISDICTION, EXTRACTION OF WHICH MIGHT BECOME REALITY TOWARDS 1985, THREATEN SERIOUSLY TO REDUCE EXPORT EARNINGS OF DEVELOPING COUNTRIES, PARTICULARLY GIVEN DANGER THAT EXPLOITATION THESE RESOURCES MAY BE UNDERTAKEN UNDER A REGIME WHICH WILL NOT FULLY SAFEGUARD INTERESTS OF PRODUCER DEVELOPING COUNTRIES CONCERNED.

15. FUNDAMENTAL PROBLEM REMAINS SAME: DEVELOPING COUNTRIES STILL DEPEND ON THEIR COMMODITY EXPORTS FOR 75 TO 80 PERCENT

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THEIR FOREIGN EXCHANGE EARNINGS. PROCESS THEIR DEVELOPMENT IS STILL LARGELY DEPENDENT UPON EXTERNAL FACTORS, I.E. DEMAND FROM DEVELOPED COUNTRIES FOR THEIR EXPORT COMMODITIES.

16. THERE IS NO PRICE SUPPORT AT JUST AND REMUNERATIVE LEVELS IN WORLD MARKET FOR PRIMARY COMMODITIES, IN MARKED CONTRAST TO SYSTEMS OPERATING IN DOMESTIC MARKETS OF DEVELOPED COUNTRIES IN FAVOUR OF THEIR OWN FARMERS. FINALLY, EXISTING SYSTEM OF ORGANIZATION OF WORLD FOOD TRADE HAS BEEN UNABLE TO MEET ESSENTIAL REQUIREMENTS OF FOOD-DEFICIENT DEVELOPING COUNTRIES.

17 BY MIDDLE OF SECOND UNITED NATIONS DEVELOPMENT DECADE, FIRST MEASURES FOR IMPLEMENTATION OF INTERNATIONAL STRATEGY WHICH WERE TO BE TAKEN BY DEVELOPED COUNTRIES HAVE NOT YET BEEN APPLIED, OR IN SOME CASES EVEN AGREED UPON. LACK OF ACTION BY DEVELOPED COUNTRIES TO TACKLE COMMODITY PROBLEM OF DEVELOPING COUNTRIES IS PARTICULARLY APPARENT IN FOLLOWING AREAS:

(1) NON-IMPLEMENTATION OF PROVISIONS OF INTERNATIONAL DEVELOPMENT STRATEGY FOR SECOND UNITED NATIONS DEVELOPMENT DECADE CONCERNING WORLD TRADE IN COMMODITIES, AND CONCERNING REDUCTION AND ELIMINATION OF DUTIES AND OTHER BARRIERS TO IMPORTS OF PRIMARY PRODUCTS, INCLUDING THOSE IN PROCESSED AND SEMI-PROCESSED FORM, OF EXPORT INTEREST TO DEVELOPING COUNTRIES;

(2) FAILURE OF INTERNATIONAL COMMUNITY TO ESTABLISH COMPREHENSIVE INTERNATIONAL ARRANGEMENTS ON MOST INDIVIDUAL COMMODITIES OWNING TO INTRANSIGENCE OF DEVELOPED COUNTRIES;

(3) NON-IMPLEMENTATION OF RESOLUTIONS ADOPTED IN UNCTAD AND OTHER FORUMS WITH RESPECT TO PRICING POLICY AND ACCESS TO MARKETS AND INCREASING TREND TOWARDS PROTECTIONISM IN DEVELOPED COUNTRIES;

(4) FAILURE OF RECENT ROUND OF INTENSIVE INTERGOVERNMENTAL CONSULTATIONS ON INDIVIDUAL COMMODITIES, PURSUANT TO RESOLUTION 83 (III) OF UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT AND RESOLUTION 7 (VII) OF UNCTAD COMMITTEE ON COMMODITIES, TO ACHIEVE CONCRETE RESULTS.

(5) LONG DELAY IN COMMENCEMENT OF MULTILATERAL TRADE  
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NEGOTIATIONS AND IN IMPLEMENTATION OF PROVISIONS OF TOKYO DECLARATION, WHICH REFERRED INTER ALIA TO (1) NEED TO SECURE ADDITIONAL BENEFITS FOR INTERNATIONAL TRADE OR DEVELOPING COUNTRIES SO AS TO ACHIEVE SUBSTANTIAL INCREASE IN THEIR FOREIGN EXCHANGE EARNINGS, DIVERSIFICATION OF THEIR

EXPORTS, AND ACCELERATION OF GROWTH OF THEIR TRADE,  
AND (II) NEED TO TREAT TROPICAL PRODUCTS AS SPECIAL AND  
PRIORITY SECTOR;

18. TO THIS MUST BE ADDED ANARCHICAL EXPLOITATION BY  
MULTINATIONAL CORPORATIONS AND MISUSE AND SQUANDERING OF  
NON-RENEWABLE RAW MATERIALS BY DEVELOPED COUNTRIES WHICH  
CONSTITUTE THREAT TO INDISPENSABLE CONSERVATION OF NATURAL  
RESOURCES NEEDED FOR PROMOTING DEVELOPMENT AND SATISFYING IN LONG  
TERM THE REAL NEEDS OF MANKIND AS WHOLE. AT SAME TIME FOOD DEFICIT  
IN DEVELOPING COUNTRIES, CAUSE BY ECONOMIC POLICIES PURSUED BY  
DEVELOPED COUNTRIES, WHICH AGGREGATE DEPENDENT POSITION AND  
ACCENTUATE EXTERNAL DISEQUILIBRIUM AND UNDER-DEVELOPMENT OF  
DEVELOPING COUNTRIES, MAKES IT ESSENTIAL THAT DEVELOPED  
COUNTRIES MAKE EFFECTIVE CONTRIBUTION TO LONG-TERM SOLUTION OF  
WORLD FOOD PROBLEM.

DEVELOPED COUNTRIES SHOULD UNDERTAKE ACTION TO ALLEVIATE  
POSITION OF DEFICIT DEVELOPING COUNTRIES, MAKING BOTH FOOD  
SUPPLIES AND ALSO ADEQUATE TECHNICAL AND FINANCIAL AID  
AVAILABLE TO THEM, LATTER BEING DIRECTED IN PARTICULAR TO  
DEVELOPING COUNTRIES ENJOYING COMPARATIVE ADVANTAGES SO THAT  
THEY MAY EXPAND AS FAR AS POSSIBLE THEIR LOCAL PRODUCTION  
OF FOOD. THIS ACTION MUST HOWEVER IN NO WAY HAMPER PRODUCTION  
AND EXPORTS OF DEVELOPING COUNTRIES WHICH ARE TRADITIONAL  
EXPORTERS OF FOOD.

19. GIVEN THIS LACK OF ADEQUATE ACTION BY THE INTERNATIONAL  
COMMUNITY OWNING TO LACK OF POLITICAL WILL ON PART OF DEVELOPED  
COUNTRIES, THERE IS URGENT NEED FOR DEVELOPING COUNTRIES  
TO CHANGE THEIR TRADITIONAL APPROACH TO NEGOTIATIONS WITH DEVELOPED  
COUNTRIES, HITHERTO CONSISTING IN PRESENTATION OF LIST OF  
REQUESTS TO DEVELOPED COUNTRIES AND APPEAL TO THEIR  
POLITICAL GOOD WILL, WHICH IN REALITY WAS SELDOM  
FORTHCOMING. TO ACHIEVE THIS CHANGE, DEVELOPING COUNTRIES MUST  
UNDERTAKE COMMON ACTION TO STRENGTHEN THEIR BARGAINING  
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POSITION IN RELATION TO DEVELOPED COUNTRIES. IT IS  
MORE IMPRATIVE THAN EVER FOR DEVELOPING COUNTRIES TO  
TAKE PRACTIAL STEPS TO STRENGTHEN ECONOMIC CO-OPERATION  
AMONG THEMSELVES ON LINES OF PROGRAMME OF ACTION ADOPTED BY  
FOURTH SUMMIT CONFERENCE OF NON-ALIGNED COUNTRIES IN SEPTEMBER  
1973 AND TO AGREE ON COMMON STRATEGY AND ON SPECIFIC LINES  
OF ACTION IN FIELD OF RAW MATERIALS AND OTHER PRIMARY  
COMMODITIES, BASED ON PRINCIPLE OF RELYING FIRST AND FOREMOST ON  
THEMSELVES AND THEIR OWN RESOURCES TO OBTAIN THE MEANS FOR  
THEIR OWN DEVELOPMENT AND TO ESTABLISH NEW INTERNATIONAL ECONOMIC  
ORDER.

20. CAUSES OF CURRENT ECONOMIC CRISIS ARE ROOTED IN COLONIAL  
PAST OF MANY DEVELOPING COUNTRIES, CHARACTERIZED BY

CENTURIES OF UNINHIBITED EXPLOITATION THEIR NATURAL RESOURCES. ALTHOUGH COLONIALISM IS DISAPPEARING, ECONOMIC EXPLOITATION OF DEVELOPING COUNTRIES BY DEVELOPED COUNTRIES CONTINUES TO BE MAJOR OBSTACLE TO EVEN AND BALANCED DEVELOPMENT OF ALL COUNTRIES. DEVELOPING COUNTRIES, WHICH HAVE 70 PER CENT OF WORLD'S POPULATION, GENERATE ONLY 30 PER CENT OF WORLD'S INCOME, AND GAP BETWEEN DEVELOPED AND DEVELOPING COUNTRIES CONTINUES TO WIDEN.

21. MOREOVER, SOME PEOPLES, STILL VICTIMS OF DIRECT COLONIALISM OR RACISM, ARE DEPRIVED OF THEIR FUNDAMENTAL RIGHTS TO SOVEREIGNTY AND INDEPENDENCE AND ANY POSSIBILITY OF DEVELOPMENT. ON OTHER HAND, MANY COUNTRIES ARE STILL SUBJECT TO IMPERIALIST DOMINATION AND NEO-COLONIALIST EXPLOITATION, WHICH CONSTITUTE REALITY AND SERIOUS OBSTACLE TO THEIR INDEPENDENCE.

22. INEQUITIES AND WEAKNESSES OF PRESENT ECONOMIC SYSTEM ARE PARTICULARLY GLARING IN CONDUCT OF WORLD TRADE IN RAW MATERIALS. THOSE WHO CONTROL LEVERS OF PRICE MECHANISM HAVE SUCCESSFULLY DENIED TO PRODUCERS OF NUMBER OF RAW MATERIALS THEIR DUE PROFIT FROM THEIR LABOUR AND FROM THEIR NATURAL ENDOWMENT, WHILE THEY HAVE THEMSELVES CONTINUED TO MAKE EXCESSIVE PROFITS BY CHARGING HIGH PRICES FOR FINISHED PRODUCTS.

23. PREVAILING ECONOMIC ORDER, AND INTERNATIONAL DIVISION OF UNCLASSIFIED

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LABOUR ON WHICH IT DEPENDS, HAVE BEEN BASED ESSENTIALLY ON EXPLOITATION AND PROCESSING BY INDUSTRIALIZED COUNTRIES OF RAW MATERIALS PRODUCED BY DEVELOPING COUNTRIES AND ON ENJOYMENT OF VALUE ADDED WHICH DETERMINES BOTH FINAL OVERALL PRICE AND UNFAIR TERMS OF TEADE RESULTING THEREFROM. TO THESE MUST BE ADDED FURTHER PROFITS ACCRUING FROM PROCESSES OF MARKETING, FINANCING, FREIGHT AND INSURANCE.

24. CONSEQUENTLY, ONLY POSSIBILITY OF CORRECTING THIS ECONOMIC ORDER AND SUCH DIVISION OF LABOUR LIES ESSENTIALLY IN TRANSFERRING TO DEVELOPING COUNTRIES JOB OF PROCESSING RAW MATERIALS THEY PRODUCE IN THEIR OWN NATIONAL TERRITORIES, SO THAT THEY MAY BE ABLE TO DERIVE MAXIMUM BENEFIT FROM THEIR POTENTIAL WEALTH AND IMPROVE THEIR REAL TERMS OF TRADE WITH DEVELOPED COUNTRIES.

25. FOR THIS REASON, WHEN DEVELOPING COUNTRIES MEET AT ALGIERS FROM 15TH TO 18TH FEBRUARY 1975 FOR MINISTERIAL CONFERENCE OF GROUP OF 77, THEY WILL HAVE TO DECIDE ON CONCERTED ACTION AND FOLLOW SAME LINE IF THEY ARE TO ACQUIRE LARGER SHARE IN WORLD INDUSTRIAL OUTPUT BY PROCESSING AND UPGRADING THEIR RAW MATERIALS WITHIN THEIR OWN FRONTIERS AND BY THIS MEANS HELPING TO ESTABLISH NEW FORMS OF INTERNATIONAL



INDUSTRIAL CO-OPERATION.

26. THAT IS WHY ALGIERS MINISTERIAL CONFERENCE MARKS DECISIVE STEP FORWARD FOR DEVELOPING COUNTRIES IN PREPARATION FOR SECOND GENERAL CONFERENCE OF UNIDO WHICH IS TO BE HELD AT LIMA FROM 12TH TO 26TH MARCH, AND DURING WHICH DECLARATION WILL BE MADE AND PLAN OF ACTION FOR INDUSTRIALIZATION ADOPTED BY INTERNATIONAL COMMUNITY IN LINE WITH PRINCIPLES FOR ESTABLISHMENT OF NEW INTERNATIONAL ECONOMIC ORDER.

27. RECENT EVENTS HAVE SHOWN THAT TRADITIONAL IDEAS ABOUT INTERNATIONAL TRADE CONFLICT WITH REALITY, FOR THEY ARE BASED ON INCREASINGLY OUTDATED CONCEPTION OF INTERNATIONAL SPECIALIZATION. THIS CONCEPTION IS SIMPLY THAT TRADE RELATIONS DEPEND ON FACTORS WITH WHICH VARIOUS COUNTRIES PARTICIPATING IN INTERNATIONAL TRADE ARE ENDOWED. BASED AS IT IS ON FALSE ASSUMPTION, IT DISREGARDS SOME UNCLASSIFIED

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ESSENTIAL FEATURES OF PRESENT-DAY ECONOMIC REALITY.

28. THESE EVENTS HAVE THRUST INTO PROMINENCE REALITY OF INTERDEPENDENCE OF ALL MEMBERS OF INTERNATIONAL COMMUNITY AND HAVE MADE IT CLEAR THAT FEW DEVELOPED COUNTRIES CAN NO LONGER DECIDE COMMUNITY'S FATE. THIS REALIZATION LED TO THE CONVENING OF SPECIAL SESSION OF GENERAL ASSEMBLY DEVOTED EXCLUSIVELY TO PROBLEMS OF RAW MATERIALS AND DEVELOPMENT, AND TO ADOPTION OF HISTORIC DECLARATION AND PROGRAMME OF ACTION ON ESTABLISHMENT OF NEW INTERNATIONAL ECONOMIC ORDER, WHOSE PROVISIONS MUST BE IMPLEMENTED AS MATTER OF URGENCY.

THE SIXTH SPECIAL SESSION OF UNITED NATIONS GENERAL ASSEMBLY ON RAW MATERIALS AND DEVELOPMENT HAS SET IN MOTION AN IRREVERSIBLE PROCESS IN INTERNATIONAL RELATIONS AND MADE IT POSSIBLE TO REAFFIRM INTENTION OF DEVELOPING COUNTRIES TO ENGAGE IN DIALOGUE, TO CONCERT POLICIES AND TO CO-OPERATE IN ORDER TO ESTABLISH NEW ECONOMIC RELATIONS BETWEEN MEMBERS OF INTERNATIONAL COMMUNITY. THIS NECESSARY SHIFT IN INTERNATIONAL RELATIONS OBLIGES DEVELOPED COUNTRIES TO TAKE FULL COGNISANCE OF ECONOMIC AND POLITICAL FACTS IN WORLD TODAY AND TO ACCEPT PRECISE COMMITMENTS TO ASSUME THEIR RESPONSIBILITIES WITHIN FRAMEWORK OF INEVITABLE ALTERATIONS WHICH MUST BE MADE FOR ESTABLISHMENT OF NEW INTERNATIONAL ECONOMIC ORDER.

1. CONSIDERING THAT THERE IS NOW GENERAL TENDENCY AMONG DEVELOPING COUNTRIES TO MOBILIZE AND MORE RATIONALLY EXPLOIT THEIR NATURAL RESOURCES, THESE COUNTRIES UNDERTAKE TO ADVANCE ALONG ROAD TOWARDS COMPLETE ERADICATION OF THEIR

ECONOMIC DEPENDENCE ON IMPERIALISM. TO DEVELOP THEIR ECONOMIES, THEIR SCIENCE AND THEIR TECHNOLOGY, TO ACHIEVE PROSPERITY IN THEIR COUNTRIES, TO SYSTEMATICALLY IMPROVE LIVES OF THEIR PEOPLE, TO ACHIEVE COMPLETE ECONOMIC INDEPENDENCE, SOCIAL JUSTICE AND POLITICAL SOVEREIGNTY AND TO ELIMINATE INEQUALITIES BETWEEN NATIONS IN INTERNATIONAL RELATIONS, AND SO TO ESTABLISH NEW INTERNATIONAL ECONOMIC ORDER.

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30. NEW INTERNATIONAL ECONOMIC ORDER MUST BE BASED ON PRINCIPLES OF EQUALITY AND EQUITY, AND CONCEIVED IN COMMON INTEREST FOR BENEFIT OF ALL PEOPLES OF WORLD. IT ENTAILS REVERSAL OF EXISTING TRENDS IN WORLD COMMODITY TRADE. PRIMARY COMMODITIES FORM AN AREA OF WORLD ECONOMY IN WHICH STRUCTURAL CHANGES ARE NECESSARY AND INEVITABLE. INTRODUCTION OF NEW INTERNATIONAL ECONOMIC ORDER, WHICH MUST PROVIDE FOR BROADEST POSSIBLE CO-OPERATION BETWEEN ALL STATES IN ELIMINATING EXISTING DISPARITIES AND SECURING PROSPERITY FOR ALL, IS PREREQUISITE FOR ESTABLISHMENT OF NEW DISTRIBUTION OF PRODUCTIVE ACTIVITIES THROUGHOUT WORLD AND NEW TYPE OF ECONOMIC RELATIONS BASED ON RESPECT OF RIGHT OF EVERY STATE TO EXERCISE PERMANENT SOVEREIGNTY OVER ITS NATURAL RESOURCES AND TO DISPOSE OF THEM FREELY.

31. PRINCIPLES SET OUT IN CHARTER ON ECONOMIC RIGHTS AND OBLIGATIONS OF STATES MUST BE FULLY IMPLEMENTED. CONSEQUENTLY, IT IS RIGHT AND DUTY OF ALL STATES, INDIVIDUALLY AND COLLECTIVELY, TO ELIMINATE COLONIALISM, APARTHEID, RACIAL DISCRIMINATION, NEO-COLONIALISM AND ALL FORMS OF FOREIGN AGGRESSION, OCCUPATION AND DOMINATION, AND ECONOMIC AND SOCIAL CONSEQUENCES THEREOF, AS PREREQUISITE FOR DEVELOPMENT. STATES WHICH PRACTICE SUCH COERCIVE POLITICS ARE ECONOMICALLY RESPONSIBLE TO COUNTRIES, TERRITORIES AND PEOPLES AFFECTED FOR RESTITUTION AND FULL COMPENSATION FOR EXPLOITATION AND DEPLETION OF, AND DAMAGE TO, NATURAL AND ALL OTHER RESOURCES OF THOSE COUNTRIES, TERRITORIES AND PEOPLES. IT IS DUTY OF ALL STATES TO EXTEND ASSISTANCE TO THEM. END QUOTE. AGGREY

UNQTE  
KISSINGER

UNCLASSIFIED

<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 26 AUG 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COMMODITIES, NONALIGNED NATIONS, MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 FEB 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** EB/ORF/ICD-NHERRINGER:MW  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** n/a  
**Film Number:** D750062-0392  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1975/newtext/t19750287/baaaagrx.tel  
**Line Count:** 537  
**Locator:** TEXT ON-LINE, TEXT ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 10  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ElyME  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 MAY 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <12 MAY 2003 by SilvaL0>; APPROVED <08 JAN 2004 by ElyME>  
**Review Markings:**

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US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** n/a  
**TAGS:** EGEN, ETRD, SG, UNCTAD, DAKAR  
**To:** ABIDJAN  
BELGRADE  
BUENOS AIRES  
CARACAS  
ISLAMABAD  
LAGOS

LIMA  
MANILA  
MEXICO  
NEW DELHI  
PANAMA

**Type:** TE

**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006